Supreme Court, U. S.
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In the Supreme Court of the United States

OCTOBER TERM, 1979

No. 79-780

CONTINENTAL PLASTICS OF OKLAHOMA, INC.,
Petitioner,

VERSUS

PLASTIC CONTAINER CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

The petitioner Continental Plastics of Oklahoma, Inc. respectfully prays that a Writ of Certiorari issue to review the opinion and judgment of the United States Court of Appeals for the Tenth Circuit entered in this action on August 8, 1979.

OPINIONS BELOW

The opinion of the Court of Appeals for the Tenth Circuit, not yet reported, is set forth in the Appendix (A-1). Judgment in the district court was rendered by the court issuing an Order granting the petitioner's motion for summary judgment. This Order is also set forth in the Appendix (A-43).

JURISDICTION

The judgment of the Court of Appeals for the Tenth Circuit was made and entered on August 8, 1979, reversing the judgment of the district court in part and remanding certain issues to the district court for further proceedings therein. Petitioner timely filed a Petition for Rehearing which was denied on September 25, 1979 (A-38). Subsequent to this denial, petitioner timely filed a Motion for Stay of Mandate which was granted on October 11, 1979 (A-41), and later vacated on October 26, 1979 (A-42). The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

QUESTIONS PRESENTED

(1) Does the doctrine of collateral estoppel in patent cases as set forth by this Court in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* 402 U.S. 313 (1971), estop a patent owner from asserting the validity, in a second suit, of non-adjudicated patent claims which are identical in scope to claims previously adjudicated invalid?

(2) Is an uncontradicted factual admission in a brief of counsel an "admission on file" which must be considered under Federal Rule of Civil Procedure 56(c) in the determination of a motion for summary judgment?

(3) Can the addition, to an invalid apparatus patent claim, of a functional statement admittedly reciting only an inherent manner of operation of the claimed structure change the scope of the claim so as to make the claim valid?

STATUTES INVOLVED

35 U.S.C. §251 provides:

"§251. Reissue of defective patents

Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

The Commissioner may issue several reissued patents for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued patents.

The provisions of this title relating to applications for patent shall be applicable to applications for reissue of a patent, except that application for reissue may be made and sworn to by the assignee of the entire interest if the application does not seek to enlarge the scope of the claims of the original patent.

No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent."

Federal Rule of Civil Procedure 56(c), regarding summary judgment, provides:

"(c) Motion and Proceedings Thereon. The motion shall be served at least 10 days before the time fixed

for hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages."

STATEMENT OF THE CASE

In 1972 respondent sued petitioner alleging infringement of U.S. Patent No. 3,473,681 to Hall. In that litigation the trial court held that all claims of the Hall patent were invalid on four separate grounds (A-44), and that judgment was affirmed by the Court of Appeals for the Tenth Circuit (A-46).

Thereafter respondent filed in the Patent and Trademark Office an application to reissue the Hall patent, and the patent was reissued as U.S. Patent No. Re. 28,861 pursuant to the provisions of 35 U.S.C. §251. Respondent then filed the present action alleging infrigement of the Hall reissue patent, the jurisdictional basis for the action being 28 U.S.C. §1338(a).

In defense of the infringement action, petitioner moved for summary judgment on the basis, inter alia, that the scope of the claims of the Hall reissue patent was identical to the scope of the claims of the original Hall patent, and that therefore the issues presented by the Hall reissue claims were identical to the issues previously adjudicated

and that respondent was collaterally estopped from asserting the validity of the claims of the Hall reissue patent.

In respondent's brief in opposition to petitioner's motion for summary judgment respondent stressed the fact that the claims of the Hall reissue patent did not differ from the claims of the original Hall patent previously adjudicated invalid except by the addition of a functional statement reciting an inherent and necessary manner of operation of the structure described in the original invalid claims. Furthermore, respondent asserted, as does petitioner, that the necessary conclusion of law which must result from this admitted fact is that the claims are of identical scope (Record, pp. 108-111). No evidence was before the trial court, on this fact of inherent manner of operation, other than the briefs of the parties which concurred on this point and the conclusion of law which should follow therefrom.

The trial court granted petitioner's motion for summary judgment without making findings of fact and without opinion (A-43).

In its brief on appeal, respondent repeated its admissions regarding the identical scope of the Hall reissue claims and the claims previously adjudicated invalid (Respondent's Brief on Appeal, pp. 13-15). The Court of Appeals, however, refused to consider this admission or those appearing in the summary judgment brief below to be binding on the issue of the scope of the claims, and held that the mere statement of inherent function added by respondent, via the reissue of the patent, to the appartus claims previously adjudicated invalid was sufficient to pre-

vent the collateral estoppel doctrine of *Blonder-Tongue* from being applicable to the present case.

The Court of Appeals reversed the granting of summary judgment to petitioner and remanded for further proceedings.

REASONS FOR GRANTING THE WRIT

The judgment of the Court of Appeals conflicts with the principle set forth in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* 402 U.S. 313 (1971), that a patent owner is entitled to only one full and fair opportunity for judicial resolution of the same issue, namely validity of a patent claim where such resolution results in a holding of invalidity. The judgment of the Court of Appeals also conflicts in principle with decisions of the Courts of Appeal for the Fourth, Sixth and Seventh Circuits and the United States Court of Claims, all of which have interpreted *Blonder-Tongue* as requiring the application of the doctrine of collateral estoppel espoused therein to bar adjudication in a second suit of a patent claim of the same scope as a claim previously adjudicated invalid.

Furthermore, the decision of the Court of Appeals is in direct conflict with decisions of this Court, the Court of Appeals for the Fifth Circuit, and the Court of Customs and Patent Appeals regarding whether "admissions on file" under Federal Rule of Civil Procedure 56(c) includes admissions of counsel in oral and written argument.

(1) The Court of Appeals Refusal to Hold That Respondent Is Collaterally Estopped From Asserting the Validity of the Claims of the Hall Reissue Patent Is In Conflict With the Principles Laid Down By This Court in *Blonder-Tongue* and Is In Conflict With Decisions of Other Courts of Appeal.

In *Blonder-Tongue* this Court held that a patent owner is entitled to only one full and fair opportunity for judicial resolution of the issue of validity of a patent claim, where such resolution results in a holding of invalidity. This Court did not limit this doctrine to situations where the identical *claim* is presented in both suits, but rather it extended the doctrine to situations where the identical *issue* is presented a second time. It follows that a patent claim which differs in language from a claim previously adjudicated invalid, in such a way that the scope of the claims is identical, must fall under the principles set forth in *Blonder-Tongue*. If the scope of the claims is identical then the issues presented are identical. If the first claim is fairly adjudicated invalid, then the unadjudicated claim must also be invalid.

In the present case it is not contradicted that the trial on the original Hall patent accorded respondent the full and fair opportunity to litigate required by *Blonder-Tongue,* and the respondent has admitted that the claims of its reissue patent differ from the previously adjudicated invalid claims only by the addition of a functional statement which merely recites an inherent manner of operation of the claimed structure. Respondent has further asserted, as does petitioner, that the necessary legal conclusion which must follow from this fact is that the claims are of identical scope.

In the face of these admissions, the Court of Appeals has held that collateral estoppel does not apply in the present case (A-21). Although the Court of Appeals has acknowledged in form that *Blonder-Tongue* extends to non-adjudicated claims, it has in substance emasculated *Blonder-Tongue* in the Tenth Circuit with regard to its application to non-adjudicated claims. If the Court of Appeals is not going to apply collateral estoppel in a case where the claims are admitted to be of identical scope, then where will it possibly apply that doctrine?

In its decision on petitioner's Petition for Rehearing (A-38), the Court of Appeals justifies its action on the basis that it is only reversing a grant of summary judgment (A-39). It is submitted, however, that the application of the collateral estoppel doctrine of *Blonder-Tongue* presents a situation where summary judgment is not only proper, but indeed where summary judgment is the only effective way to realize the economies and conservation of judicial time which this Court intended to bestow on courts and litigants alike when it handed down its landmark decision in *Blonder-Tongue*.

The importance of the Court of Appeals' decision to patent litigants in the Tenth Circuit cannot be underestimated. There are many situations where a patent owner owns more than one claim, in a single or in several patents, with such claims being of slightly different wording, but of identical scope. If the decision of the Court of Appeals is allowed to stand, it may well become standard practice to obtain near duplicates of all claims, for any skilled patent solicitor can certainly achieve this result in almost any given case. The situation which will result is that in the

Tenth Circuit we will have returned to the pre-*Blonder-Tongue* days where the patentee may repeatedly litigate so long as he has new defendants. Indeed, as the present case shows, he may even continue the attack against the same defendant in repeated suits so long as he can modify the wording of the claims to emphasize some necessary and inherent functional attribute of a structure already adjudicated as devoid of patentable novelty.

For these very reasons the Courts of Appeal for the Fourth and Sixth Circuits and the United States Court of Claims have each unequivocally held that the collateral estoppel doctrine of *Blonder-Tongue* is applicable to unadjudicated claims which are identical in scope to previously adjudicated invalid claims. *Technograph Printed Circuits, Ltd.* v. *Martin-Marietta Corp.*, 474 F.2d 798 (4th Cir. 1973); *Westwood Chemical, Inc.* v. *Molded Fiber Glass Body Co.*, 498 F.2d 1115 (6th Cir. 1974); *Bourns, Inc.* v. *United States*, 537 F.2d 486 (U.S.Ct.Cl. 1976); *Westwood Chemical, Inc.* v. *United States*, 525 F.2d 1367 (U.S.Ct.Cl. 1975).

The Seventh Circuit now appears to also be in line with the Fourth and Sixth Circuits and the United States Court of Claims, *Technograph Printed Circuits, Ltd.* v. *Methode Electronics, Inc.*, 484 F.2d 905 (7th Cir. 1973), although an earlier decision initially appeared to place the Seventh Circuit in a position more similar to that taken in the present case by the Tenth Circuit, *Bourns, Inc.* v. *Allen-Bradley Co.*, 480 F.2d 123 (7th Cir. 1973).

In the absence of review by this Court, and a reversal of the decision of the Court of Appeals, the Tenth Circuit will become the choice of forum shoppers from far and

wide looking for a hospitable place in which to bring a second action on claims no different in substance and scope from previously adjudicated invalid claims.

(2) The Court of Appeals Refusal to Consider Factual Admissions in Respondent's Briefs as Binding on Respondent Is In Direct Conflict With Prior Decisions of this Court and Other Courts of Appeal Interpreting F.R.C.P. 56(c).

Federal Rule of Civil Procedure 56(c) provides that one of the categories of evidentiary materials which is to be considered on a motion for summary judgment is "admissions on file."

The term "admissions on file" is not limited to formal admissions under Federal Rule of Civil Procedure 36, but includes admissions made in briefs and oral argument of counsel, and both this Court and the Court of Appeals for the Fifth Circuit have so interpreted Rule 56(c), *Mourning* v. *Family Publications Service, Inc.*, 411 U.S. 356, 362 n. 16 (1973) (Summary judgment was based upon admissions contained in letters which the defendant admitted sending to plaintiff, and defendant's counsel's statements that there was no factual question remaining unresolved.); *United States* v. *Dooley*, 424 F.2d 1067 (5th Cir. 1970) (Summary judgment based upon counsel's admission in oral argument). Similar admissions have been considered binding by the Court of Customs and Patent Appeals, although not specifically in a summary judgment context due to the different nature of the proceedings before that court, *In re Pearson*, 494 F.2d 1399, 1402 (C.C.P.A. 1974) (Statement of counsel in brief).

Furthermore, the two leading authorities on federal procedure have taken the position that admissions of counsel in oral or written argument are "admissions on file" under Federal Rule of Civil Procedure 56(c). 6 *Moore's Federal Practice*, pp. (56-286)-(56-287) (1976) ("While admissions should be 'on file,' they may be established in any appropriate manner: . . . from statements of counsel made in oral or written argument . . . ."); Wright & Miller, 10 *Federal Practice & Procedure* §2723, p. 490 (1973) ("However, admissions in the brief of the party opposing the motion may be used in determining that there is no genuine issue as to any material fact, since they are functionally equivalent to 'admissions on file,' which are expressly mentioned in Rule 56(c) . . . .").

In the face of these authorities the Court of Appeals has refused to consider admissions made by respondent's counsel in its briefs to both the trial court and the Court of Appeals, even though respondent submitted no evidence in the trial court to contravert those admissions. Indeed, respondent submitted no evidence at all in response to petitioner's motion for summary judgment. In its Order on petitioner's Petition for Rehearing, the Court of Appeals held that, "Briefs are not a part of the record, and in those cases in which the statements in a brief were considered as admissions, it appears that the court did so as a matter of discretion" (A-39).

It is submitted that consideration of such "admissions on file" is not discretionary, but rather is mandated by Federal Rule of Civil Procedure 56(c), and that the decision of the Court of Appeals is in direct conflict with the above noted prior decisions of this Court, the Fifth Circuit, and the Court of Customs and Patent Appeals.

(3) The Addition, to an Invalid Apparatus Patent Claim, of a Functional Statement Reciting Only an Inherent Manner of Operation of the Claimed Structure Cannot Change the Scope of the Claim so as to Make the Claim Valid.

Although in certain circumstances an apparatus patent claim may properly include functional language, which buttresses its patentability, the law is settled that the mere recitation of an inherent and necessary function of an old structure cannot make a claim to that old structure patentable. Such expressions of a necessary and clearly implied function or characteristic add nothing to the scope of the claim. *In re Pearson*, 494 F.2d 1399, 1403 (C.C.P.A. 1974) ("These terms merely set forth the intended use for, or a property inherent in, an otherwise old composition. As the board pointed out, such terms do not differentiate the claimed composition from those known to the prior art."); *In re Swinehart*, 439 F.2d 210, 212-13 (C.C.P.A. 1971) ("[I]t is elementary that the mere recitation of a newly discovered function or property, inherently possessed by things in the prior art, does not cause a claim drawn to those things to distinguish over the prior art.").

In respondent's brief in opposition to petitioner's motion for summary judgment (Record, pp. 108-111), and in respondent's brief on appeal to the Court of Appeals, respondent has unequivocally stressed and admitted that the function specified in Hall Reissue claims 5 and 8 (the only two claims in the Hall reissue patent) is nothing more than an inherent manner of operation of the structure present in invalid original Hall patent claim 5. To quote from respondent's own brief to the Court of Appeals at pages 13-15:

> *"Reissue Claim 5 of the Hall patent in suit differs from original claim 5 solely by the addition of a so-called —whereby— clause* . . . [T]he patent owner returned to the United States Patent Office and presented in its Reissue application the same Claim 5 held invalid by both the district court and this Court, with the addition to it of a *so-called —whereby— clause that set forth the dual function.* The patent owner also submitted a new claim, being Claim 8, with its Reissue application. *Claim 8 is of substantially the same scope as claim 5.*
>
> * * * *
>
> ". . . *Here, as in General Plastics, the scope of a reissue claim (reissue claim 5) is identical or substantially identical to the scope of an original claim (original claim 5). The only difference is the addition of a —whereby— clause.* The following language, taken from the *General Plastics* decision is completely appropriate for and applicable to the present situation. There the Court stated:
>
> > 'When plaintiff added the description to the end of claim 1 of the reissue, *he was merely stating what was already there by implication.* Therefore, claim 1 of the reissue is identical to the claim of the Drogin patent. And if defendant has infringed the claim of the latter, he has infringed claim 1 of the reissue.' " (emphasis added)

It is submitted that the above passage from respondent's brief is an unequivocal admission by respondent of the fact that the function called for in Hall Reissue claims 5 and 8 is merely an inherent manner of operation of the structure present in invalid original Hall Patent claim 5. It is noted that respondent's counsel has even gone beyond that admission of fact and has asserted, as does petitioner,

that the necessary conclusion of law which must result from that fact is that the claims are of identical scope.

As discussed above, the factual admission made by respondent's counsel in its briefs that the function called for in Hall Reissue claims 5 and 8 is merely an inherent manner of operation of the structure present in invalid original Hall Patent claim 5 is an "admission on file", as that term is used in Federal Rule of Civil Procedure 56(c), and is properly considered on a motion for summary judgment. That admission is as equally binding upon respondent as if it had been made in response to a request for admission under Federal Rule of Civil Procedure 36.

The legal conclusion which must necessarily follow from this admitted fact is that the claims are of identical scope. The necessary consequence of the claims being of identical scope is that respondent must be collaterally estopped from asserting the validity of those claims under the principles set forth by this Court in *Blonder-Tongue*.

CONCLUSION

For the foregoing reasons, the petition for Writ of Certiorari should be granted.

Respectfully submitted,

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November, 1979

CERTIFICATE OF SERVICE

This is to certify that three copies of the foregoing Petition for Writ of Certiorari were mailed with first class postage prepaid to each of the attorneys for respondent, namely, Thomas J. Greer, Jr., 707 23rd Street South, Arlington, Virgina 22202; James A. Peabody, 1700 Liberty Tower, 100 Broadway, Oklahoma City, Oklahoma 73102; and Walter D. Ames, 1909 K Street N.W., Washington, D.C. 20006, this 16 day of December, 1979.

William Reeves Laney

William Reeves Laney

APPENDIX

UNITED STATES COURT OF APPEALS
TENTH CIRCUIT

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No. 77-1753

PLASTIC CONTAINER CORPORATION, Plaintiff-Appellant,	)	Appeal from the United States District Court for the Western District of Oklahoma (D. C. No. 76-1011-C)
v.	)	
CONTINENTAL PLASTICS OF OKLAHOMA, INC., Defendant-Appellee.	)	

Walter D. Ames, Watson, Cole, Grindle & Watson, Washington, D. C. (Thomas J. Greer, Jr., Diller, Brown, Ramik & White, Arlington, Virginia, and James A. Peabody, Oklahoma City, Oklahoma, on the brief) for Appellant.

William R. Laney, Laney, Dougherty & Hessin, Oklahoma City, Oklahoma, for Appellee.

Before BARRETT and LOGAN, Circuit Judges, and MILLER,* Judge.

MILLER, Judge.

Plastic Container Corporation ("Plastic") appeals from an adverse judgment in its patent infringement suit against Continental Plastics of Oklahoma, Inc. ("Continental"). In an order of August 5, 1977, without opinion, the district court denied Plastic's cross-motion for summary judgment, dismissed its complaint, entered judgment in favor of Continental, and awarded Continental costs and attorney fees. We reverse and remand.

* The Honorable Jack R. Miller, Judge of the United States Court of Customs and Patent Appeals, sitting by designation.

The Subject Matter of the Patent in Issue

The infringement suit involves Reissue Patent No. 28,861 to Samuel Hall, Jr. ("Hall Reissue").[1] The Hall Reissue, obtained pursuant to 35 U.S.C. § 251,[2] is based on Patent No. 3,473,681[3] ("Hall Patent"), which was held invalid in the prior litigation of *Plastic Container Corp.* v. *Continental Plastics of Oklahoma, Inc.*, Civil Action No. 72-825 (W.D. Okla. December 13, 1973), affirmed in an unpublished opinion of this court, No. 74-1123, October 30, 1974. The subject matter of the Hall Reissue is a container or vial employing a safety plug and a cover which snaps on and off the container. Such containers are used by pharmacists in dispensing medicaments, such as capsules or tablets, as a precaution against access by young children. Figure 1 of the Hall Reissue is illustrative of an embodiment of the claimed invention:

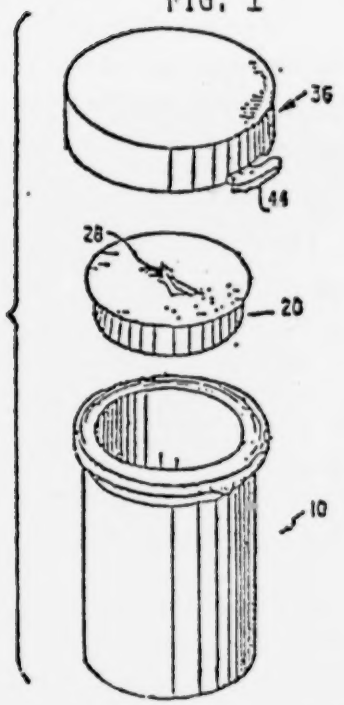
[1] The application for reissue, entitled "Safety Medicine Bottle Closure," was filed on May 23, 1975, and issued on June 15, 1976. During prosecution of the Hall Reissue, no changes were made in the specification. However, claims 1-4 and 6-7 were cancelled; claim 5 was amended; and new claim 8 was added.

[2] 35 U.S.C. § 251 reads in pertinent part:

> § 251. Reissue of defective patents
>
> Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

[3] This patent issued October 21, 1969, on an application filed November 21, 1968.

FIG. 1



In order to remove the safety plug (internal closure 20), the external closure cap 36 (snap cover) is snapped off container 10 using abutment key 44, which depends from the side of the external closure cap. With the cap removed, the abutment key is used to remove the safety plug by inserting it into recess 28 of the safety plug and pulling the plug out. Although such manipulations are relatively simple for an adult, they are too complex for most young children. Because the abutment key serves the dual function of a key and a thumb tab, the same external closure cap may be used when there is no safety plug, thus providing the pharmacist with an option to omit the safety plug for a "non-childproof" container.

Claims 5 and 8, the only two claims that remain in the Hall Reissue, are illustrative: [4]

[4] The portions of the claims in italics were added to the Hall Patent during prosecution of the Hall Reissue.

5. The safety container closure of claim 1[5] wherein said external closure cap is provided with a peripheral skirt, the lowermost part of said skirt carrying said key, the interior of said skirt carrying an annular bead which snaps over a complementary bead around an outer periphery of the container opening, *whereby the key carried by the external cap functions as a tab against which the thumb is pressed in a generally upward direction to remove the external cap from the container and functions additionally as a key for cooperation with the key recess of the internal closure to thereby permit the internal closure to be removed from its position within the opening of the container.*

8. A safety container closure assembly including,

(a) *a container having an opening,*

(b) *an internal closure in the form of a plug positioned within said opening, said closure having a key recess therein,*

(c) *an outer closure in the form of an external cap positioned over said opening,*

(d) *said external cap having a skirt integral therewith and depending from the top of*

[5] Claim 1 (which was cancelled as an independent claim during the reissue prosecution but, nevertheless, remains incorporated into claim 5) reads:

1. A safety container closure assembly including,

(a) a container having an opening,

(b) an internal closure positioned within said opening, said closure having a key recess therein,

(c) an external cap positioned over said opening,

(d) said external cap carrying a key at a location not coincident with the location of said key recess,

(e) whereby said cap must be removed to insert the key into the key recess and thereby remove the internal closure.

said cap, the interior of said skirt carrying an annular bead which snaps over a complimentary bead on the outer periphery of container opening,

(e) *a combination thumb abutment-key integral with and extending substantially horizontally outwardly from said skirt at the lower portion of the skirt, said thumb abutment-key functioning as a tab against which the thumb is pressed in a generally upwardly direction to remove the said external cap from the container and functioning additionally as a key for cooperation with the said key recess of said internal closure to thereby permit said internal closure to be removed from its position within the opening of said container.*

Background

An understanding of the previous litigation involving the Hall Patent is necessary for consideration of the issues presented by this appeal involving the Hall Reissue. In its December 13, 1973, unpublished opinion, the district court stated the following conclusions of law: (1) Claims 1-4 and 7 are invalid under 35 U.S.C. § 102 because they "define structures which are devoid of novelty in that they are clearly anticipated by the prior art." (2) Claims 1-5 and 7 are invalid under 35 U.S.C. § 103 "as being directed to structures which lack invention and were 'obvious'."[6] (3)

[6] We note that, since the 1952 codification of the patent laws, patentability depends on nonobviousness under 35 U.S.C. § 103 rather than on "invention." An invention that is obvious is an unpatentable invention. *Graham* v. *John Deere Co. of Kansas City*, 383 U.S. 1, 14-15, 148 U.S.P.Q. 459, 465 (1966); *In re Bergy*, 596 F.2d 952, 959, 201 U.S.P.Q. 352, 361-62 (C.C.P.A. 1979); Rich, *Laying the Ghost*

Claims 1-7[7] are invalid under (the second paragraph of) 35 U.S.C. § 112[8] because they "fail to particulary point out and distinctly claim the subject matter which the applicant regarded as his invention." The court somewhat amorphously stated that the invention is not distinctly claimed if "the dictionary meanings of the term 'coincident' are not used in construing the claims," because the specification fails "to explain or set forth the meaning of that term." (4) Claims 1-7 are invalid for being "in contravention of

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[6] (Continued)

of the "Invention" Requirement, 1 Am. Pat. L. A. Q. 26, 40 (1972). 35 U.S.C. § 103 reads:

> § 103. Conditions for patentability; non-obvious subject matter
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

[7] Although there are seven claims in the invalidated Hall Patent, Plastic sued for infringement on only claims 1-5 and 7. Nevertheless, some of the district court's conclusions of law apply to claim 6, because Continental, by way of counterclaim, filed a declaratory judgment action asking that all of the Hall Patent claims be held invalid.

[8] 35 U.S.C. § 112 provides in pertinent part:

> § 112. Specification
>
> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.
>
> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

the provisions of Rule 75(d)(1)," 37 C.F.R. § 1.75(d)(1),[9] because all claims contain terms ("at a location not coincident with the location of the key recess," "coincident," and "recess") which do not find clear support or antecedent basis in the description set forth in the specification. (5) Claims 1-7 are invalid under 35 U.S.C. § 112, first paragraph, for failure to set forth the best mode of carrying out the invention ("to provide ribs on the skirt portion of the stopper or internal closure") as contemplated by the inventor at the time of filing his application.

On appeal, this court stated in an unpublished opinion (No. 74-1123, Oct. 30, 1974, at 7):

> We hold that the Trial Court did not err in finding that the entire patent was anticipated by the prior art. We have considered Plastic's contention raised in its reply brief that the "prior art fails to show an element that functions both as a key which enters a key recess and as a thumb abutment." We agree. However, *such an element, i.e., an abutment functioning as a key and a thumb tab, was never claimed.* [Emphasis added.]

The court discussed further testimony at trial and said (*supra* at 9):

> Applying the prior art of Velt and Mosteller, and the differences between the prior art and Claim 5, considered together with the ordinary skill in the pertinent

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[9] 37 C.F.R. § 1.75(d)(1) reads:

> The claim or claims must conform to the invention as set forth in the remainder of the specification and the terms and phrases used in the claims must find clear support or antecedent basis in the description so that the meaning of the terms in the claims may be ascertainable by reference to the description. (See § 1.58(a).)

Because Rule 75(d)(1) merely implements the description requirement of the first paragraph of 35 U.S.C. § 112 (*supra* note 8), we consider § 112 to be the statutory basis for this conclusion of law.

art, we hold that the Trial Court did not err in finding '681 [Hall Patent No. 3,473,681] invalid as obvious.

* * * *

We have carefully considered the remaining allegations of error advanced by Plastic.[10] They are without merit.

Thus, it is clear that this court affirmed the district court in its conclusion that all claims were invalid under 35 U.S.C. § 103. The court particularly pointed out that the claims failed to recite the limitation on which Plastic relied as evidence of nonobviousness. Moreover, the statement in section III of the opinion indicates that this court intended to reject all of Plastic's allegations of error and to affirm each of the other bases for the district court's holding that the claims were invalid.[11]

Acting on the above-quoted statement in this court's previous opinion, that "an abutment functioning as a key and a thumb tab, was never obtained" in the Hall Patent, Plastic returned to the Patent and Trademark Office ("PTO") and filed an application for reissue. Following issuance of the Hall Reissue, Plastic filed this action for patent infringement against Continental.

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[10] These allegations of error were directed at all of the district court's conclusions of law.

[11] As discussed *infra*, the disposition of these other bases of invalidity in the prior appeal is important to this appeal because collateral estoppel is one of the major issues. If this court, in its previous decision, had merely affirmed on the basis of obviousness (35 U.S.C. § 103) and had not disposed of the other bases of invalidity, there could be collateral estoppel only on the obviousness issue in any subsequent litigation. *See Martin* v. *Henley*, 452 F.2d 295, 300 (9th Cir. 1971); *International Refugee Organization* v. *Republic S.S. Corp.*, 189 F.2d 858, 862 (4th Cir. 1951). *See generally* Restatement of Judgments § 68 comment n, § 69 comment b (1942); 1B Moore's Federal Practice ¶ 0.416[2] at 2232 n.10 (1974), and cases cited therein; *id.* at ¶ 0.443[5] at 3920-22.

District Court Proceedings

In the district court,[12] Continental moved for summary judgment and requested an award of costs and attorney fees, arguing: (1) that as a result of the prior litigation between the same parties, Plastic "is barred from relief as a result of the application of one or more of the doctrines of res judicata, collateral estoppel, estoppel by record and/or law of the case"; (2) that the claims of the Hall Reissue are invalid because Plastic did not discharge "the heavy duty of complete good faith, and full and open disclosure of all pertinent and material facts to the Patent Examiner during the prosecution of the reissue application"; and (3) even assuming, *arguendo*, that the Hall Reissue is infringed, Continental "is vested with certain statutorily recognized intervening rights [pursuant to 35 U.S.C. § 252[13]] which immunize" Continental. Plastic cross-moved for summary judgment: (1) on infringement because Continental had admitted that its device is readable upon both claims 5 and

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[12] The Honorable Stephen Chandler, before whom the first trial was conducted.

[13] 35 U.S.C. § 252 reads in pertinent part:

> No reissued patent shall abridge or affect the right of any person or his successor in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made, purchased or used as specified, or for the manufacture, use or sale of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, practiced, or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

8 of the Hall Reissue; and (2) on validity because reissue claims 5 and 8 are "now purged of the defect" noted in the previous Tenth Circuit opinion.

As related earlier, the district court denied Plastic's motion for summary judgment, dismissed its complaint, granted Continental's motion for summary judgment, and awarded Continental costs and attorney fees.

OPINION

Because the district court did not indicate which of Continental's arguments it found persuasive,[14] this court must consider each argument and, in order for the lower court's decision to be reversed, Plastic must prevail on each issue.

(1) Collateral Estoppel Issue[15]

Continental argues that Plastic should be collaterally estopped from asserting Hall Reissue claims 5 and 8 because "these claims substantively define the same invention as did the claims involved in the first suit." It notes that "the written specifications and the drawings of both the original and reissue patents *are identical*" and suggests

[14] Although Plastic appears to cricicize the district court for failing to specify the basis of its decision, we note that such failure is not error in view of Fed. R. Civ. P. 52(a), which states that "[f]indings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 and 56," and in view of the fact that Fed. R. Civ. P. 56 concerns motions for summary judgment. Nevertheless, in a case such as this which involves numerous complex legal issues, had the lower court stated its conclusions of law, no matter how briefly, time in the consideration of this appeal would have been saved; moreover, we would have the benefit of the lower court's views.

[15] The courts have not been consistent in the meanings assigned to the terms "res judicata" and "collateral estoppel," as well as "estoppel by record" and "law of the case," particularly when applied to patent litigation. We choose the term "collateral estoppel" as the one most appropriate under the facts of this case.

that the two claims issued in the Hall Reissue are identical to the claims of the Hall Patent "except for slight differences of wording." Further, Continental asserts that the basis for the Supreme Court's decision in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* 402 U.S. 313, 169 U.S.P.Q. 513 (1971), was "the policy that the patentee should only be allowed one opportunity to litigate any given *issue,* unless he can show that his first opportunity was unfair procedurally, substantively or evidentially"; and that the courts have applied this policy in allowing collateral estoppel as a defense to an infringement suit based on claims which, themselves, were not previously adjudicated invalid.

Indeed, the Court in *Blonder-Tongue, supra* at 332-33, 169 U.S.P.Q. at 521, did speak in terms of "issues" and "questions," saying:

> Moreover, we do not suggest, without legislative guidance, that a plea of estoppel by an infringement or royalty suit defendant must automatically be accepted once the defendant in support of his plea identifies the *issue* in suit as the *identical question* finally decided against the patentee or one of his privies in previous litigation. Rather, the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have "a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time." [Emphasis added; footnote omitted.]

Also, it is true that, because collateral estoppel is grounded on public policy, particularly as it relates to judicial economy, some courts have not limited its application to adjudicated claims only. *See, e.g., Westwood Chemical, Inc.* v. *Molded Fiber Glass Body Co.,* 498 F.2d 1115, 182 U.S.P.Q. 517 (6th Cir. 1974). The essential element of collateral estoppel is substantial identity of the issue or issues in each action. *Partmar Corp.* v. *Paramount Pictures Theatres Corp.,* 347 U.S. 89 (1954); *Carter-Wallace, Inc.* v. *United States,*

496 F.2d 535, 182 U.S.P.Q. 172 (Ct. Cl. 1974). Thus, the public interest in upholding valid patents, including reissued patents, outweighs the public interest underlying collateral estoppel where the issue or issues in each action are not substantially identical. *In re Russell,* 58 C.C.P.A. 1081, 439 F.2d 1228, 169 U.S.P.Q. 426 (1971); *In re Craig,* 56 C.C.P.A. 1438, 411 F.2d 1333, 162 U.S.P.Q. 157 (1969).

Accordingly, we agree with Continental that collateral estoppel may apply, under certain circumstances, to previously unadjudicated claims. However, it seeks to apply this defense too broadly here.[16] It is basic patent law doctrine that claims of a patent define the invention and the "metes and bounds" of the grant. *See Brenner* v. *Manson,* 383 U.S. 519, 534, 148 U.S.P.Q. 689, 695 (1966); *Deyerle* v. *Wright Manufacturing Co.,* 496 F.2d 45, 49, 181 U.S.P.Q. 685, 688 (6th Cir. 1974); *Citizens Trust Co.* v. *Lear Jet Corp.,* 403 F.2d 956, 958, 160 U.S.P.Q. 11, 13 (10th Cir. 1968), *cert. denied,* 394 U.S. 950, 161 U.S.P.Q. 832 (1969). Accordingly, any determination of whether collateral estoppel applies must be directed to the *claimed* invention, *i.e.,* the invention defined by the claims, rather than to a broader invention that may be disclosed in the application. As the Sixth Circuit said in *Westwood Chemical, Inc.* v. *Molded Fiber Glass Body Co., supra* at 1117, 182 U.S.P.Q. at 518:

> [C]ollateral estoppel is available as a defense when unadjudicated claims present questions of fact identical to the questions presented in the adjudicated claims; *when each unadjudicated claim merely restates, without significant difference, an adjudicated claim; and when none of the unadjudicated claims defines an invention separate and apart from the invention defined in the adjudicated claims.* [Emphasis added.]

Accord, Westwood Chemical, Inc. v. *United States,* 525 F.2d 1367, 187 U.S.P.Q. 656 (Ct. Cl. 1975); *In re Clark,* 522 F.2d 623, 628, 187 U.S.P.Q. 209, 213 (C.C.P.A. 1975) (Miller, J., concurring); *Bourns, Inc.* v. *United States,* 187 U.S.P.Q. 174 (Ct. Cl. Trial Div. 1975), *opinion adopted per curiam,* 537 F.2d 486, 199 U.S.P.Q. 256 (Ct. Cl. 1976); *see Technograph Printed Circuits, Ltd.* v. *Methode Electronics,* 484 F.2d 905, 908-09, 179 U.S.P.Q. 206, 208-09 (7th Cir. 1973). Moreover, unlike the above-cited precedents, this appeal involves a reissue patent which the PTO has reexamined and issued, presumably after consideration of the prior art on which the original patent was held invalid.[17] Thus, to the reissued claims, a presumption of validity has attached. 35 U.S.C. § 282. Recognizing that this court's review must take into account the differences between the claimed inventions of the Hall Reissue and the Hall Patent, we now consider the holdings of invalidity in the prior litigation.[18]

[16] Continental argues that "a suit on a reissue patent is barred by a prior judgement between [sic] the same parties holding the original patent, upon which the reissue is based, to be invalid, if the reissue patent is for the same invention as the original patent." However, this argument is in conflict with the reissue statute (35 U.S.C. § 251), which provides that the PTO shall, upon compliance with other provisions, "reissue the patent for the invention disclosed in the original patent" when "any patent is . . . deemed wholly or partly . . . invalid."

[17] However, as discussed *infra,* Continental argues that there was no consideration by the PTO of the prior decision of invalidity by the district court.

[18] We need not consider the holding of invalidity of Hall Patent claims 1-4 and 7 under 35 U.S.C. § 102, because those claims were cancelled in the prosecution of the Hall Reissue; and claim 5, which was narrowed in the reissue prosecution, was not held invalid under that section.

A. Obviousness under 35 U.S.C. § 103

The Court of Claims in *Westwood Chemical, Inc.* v. *United States, supra* at 1375,[19] indicated how, when faced with a prior holding of invalidity for obviousness, a court should determine whether the unadjudicated claims are substantially identical to the adjudicated claims:

> In approaching that question, it should be noted that, while it is convenient to refer to the "issue of patent validity," that can be misleading. Where obviousness is the basis for the prior invalidity holding, an inquiry into the identity of the validity issue is more properly phrased in terms of the factual inquiries mandated by *Graham* v. *John Deere Co.*, 383 U.S. 1, 17, 86 S.Ct. 684, 15 L.Ed.2d 545 [148 U.S.P.Q. 459, 466-467] (1966), as a prerequisite to such a validity determination. Thus, the inquiry should be whether the nonlitigated claims present new issues as to the art pertinent to the nonlitigated claims; as to the scope and content of that art; as to the differences between the prior art and the nonlitigated claims; and as to the level of ordinary skill in that art. If none of these inquiries raises any new triable issues, then the obviousness determination in the prior proceeding should be equally applicable to the nonlitigated claims.
>
> . . . If they are of identical scope, it readily follows that no new issues bearing on the obviousness determination are presented. On the other hand, such a comparison may reveal some differences of a substantive nature. In that event, it will be necessary to go a step further and determine whether those differences are of a kind that would have been itemized in a *Graham* analysis as a difference between the claim and

[19] Trial Judge Cooper's opinion, 186 U.S.P.Q. 383, 389 (1975), was adopted per curiam.

> the prior art, or whether it was known in the prior art and is only a part of the claimed combination as a whole that provides the context in which the obviousness determination is made. If it is only of the latter character, *i. e.*, it is known in the prior art and does not alter the issue as to the differences between the claimed subject matter and the prior art, it is still necessary to assess the importance of the difference to the combination as a whole since it is from that standpoint that the obviousness determination must be made. [Citations omitted.]

The following limitation in Hall Reissue claim 5 is not found in Hall Patent claim 5:

> *whereby the key carried by the external cap functions as a tab against which the thumb is pressed in a generally upward direction to remove the external cap from the container and functions additionally as a key for cooperation with the key recess of the internal closure to thereby permit the internal closure to be removed from its position within the opening of the container.*

Claim 8, which was added as a new, independent claim during the reissue prosecution, contains comparable language directed to the dual function of the abutment as a key and a thumb tab. In the previous case, this court agreed with Plastic that such a dual function was not shown in the cited prior art, but held Plastic's claims invalid for obviousness because of Plastic's failure to claim this dual function and to thus distinguish its claims over the prior art. From the opinion, Plastic could reasonably draw a suggestion to further limit its claims by incorporating in them this dual function feature. We are persuaded that this feature in the unadjudicated Hall Reissue claims is of such significance as to require a new analysis of these claims as prescribed by *Graham* v. *John Deere Co.*, *supra*.

Therefore, we conclude that the claimed invention of the Hall Reissue cannot be considered substantially identical to the claimed invention of the Hall patent for purposes of collateral estoppel.

B. Indefiniteness under 35 U.S.C. § 112, 2d paragraph

This section requires that there be claims "particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." It is essentially a requirement for "*precision and definiteness* of claim language." *In re Conley*, 490 F.2d 972, 180 U.S.P.Q. 454 (C.C.P.A. 1974); *see Hinde* v. *Hot Sulphur Springs, Colorado*, 482 F.2d 829, 837, 178 U.S.P.Q. 584, 588 (10th Cir. 1973). If the scope of the subject matter embraced by a claim is clear and if the applicant has not otherwise indicated that he intends the claim to be of a different scope, the claim satisfies this requirement. *In re Borkowski*, 57 C.C.P.A. 946, 952, 422 F.2d 904, 909, 164 U.S.P.Q. 642, 645-46 (1970). In other words, claims must make "clear the subject matter from which they would preclude others." *In re Hammack*, 57 C.C.P.A. 1225, 1230-31, 427 F.2d 1378, 1382, 166 U.S.P.Q. 204, 208 (1970).[20]

As related above, in the earlier district court opinion, the court concluded that the term "coincident," as used in the claims ("said external cap carrying a key at a location not coincident with the location of said key recess") is indefinite.[21] However, we conclude that any ambiguity or

[20] For purposes of section 112, 2d paragraph, only the claims are examined; it is improper for a court to read the specification and *come to its own conclusion* regarding what the applicant regards as his invention. *In re Ehrreich*, 590 F.2d 902, 906-07, 200 U.S.P.Q. 504, 508 (C.C.P.A. 1979); *In re Borkowski, supra.*

[21] The court, noting the dictionary definition of "coincident" as "the occupation of the same position in space," found a "manifest tendency toward ambiguity" in the quoted phrase because, in answer to an

indefiniteness has been rectified in new claim 5.[22] With the additional claim language, it is now clear that the abutment key carried on the lowermost part of the skirt of the external closure cap is located in such a position that it can function "as a tab against which the thumb is pressed in a generally upward direction to remove the external cap from the container." Such a position is necessarily removed from the recess or aperture in the safety plug. Thus, the ambiguity found by the district court has been eliminated. Moreover, in light of the additional claim language, the statements of Plastic and its expert witness (*see supra* note 21) appear consistent.

C. Lack of description under 35 U.S.C. § 112, 1st paragraph

To satisfy the description requirement of this section of the statute, an application must contain sufficient disclosure, expressly or inherently, to make it clear to one skilled in the art that the patentee was in possession of the claimed subject matter at the time of the filing of the application. *In re Mott*, 539 F.2d 1291, 1296-97, 190 U.S.P.Q. 536, 541 (C.C.P.A. 1976); *In re Smythe*, 480 F.2d 1376, 1382, 178 U.S.P.Q. 279, 284 (C.C.P.A. 1973). For essentially the same reasons that the language added to Hall Reissue claim 5 is sufficient to rectify any ambiguity or indefiniteness, we conclude that it enables appellant's specification to meet the description requirement of 35 U.S.C. § 112, first para-

[21] (Continued)

interrogatory, Plastic stated that this phrase means that "the recess is at the top of the container assembly, while the key is at the side of the container assembly"; whereas, at trial, Plastic's expert testified that the phrase means that the key is "axially offset from the key recess," employing the vertical axis of the container as the reference line.

[22] There is no problem of indefiniteness with claim 8 since that claim does not include the term "coincident."

graph. We merely add that the additional claim language demonstrates the correspondence of the phrase in the claims ("at a location not coincident with the location of the key recess") with statements in the specification (column 1, lines 42-47):[23]

> The outer closure is provided with a tab or key, preferably integral therewith and which is inserted into a complementary aperture in the plug. The key is slightly rotated and is then pulled thereby dislodging the plug. . . . Specifically, the key tab is an integral part of the outer closure to thereby preclude loss of the key. Further, it not only performs the function above described, but additionally serves as an abutment against which the thumb of the user may be placed to effect dislodgment of the closure from the container.

So, too, with the summary of the subject matter of the application in the abstract:

> A safety container closure for small plastic medicine bottles. A plug is inserted into the top or neck, in a tight friction-fit. The plug carries a key recess. An outer cap fits over the top of the container, and carries a key molded to it. The key is placed into the recess, and the plug engaged for withdrawal.

D. Failure to disclose the best mode under 35 U.S.C. § 112

This section requires the application to "set forth the best mode contemplated by the inventor of carrying out his invention." Such a disclosure is calculated to insure

[23] It is not necessary that the language of the claims be described in haec verba in the specification in order for the description requirement to be satisfied. *In re Smith,* 81 F.2d 910, 178 U.S.P.Q. 620 (C.C.P.A. 1973).

that the public will receive the benefits intended in exchange for the grant to the patentee of limited economic privileges. *Union Carbide Corp.* v. *Borg-Warner Corp.,* 550 F.2d 355, 193 U.S.P.Q. 1 (6th Cir. 1977); *Ziegler* v. *Phillips Petroleum Co.,* 483 F.2d 858, 177 U.S.P.Q. 481 (5th Cir.), *cert. denied,* 414 U.S. 1079, 180 U.S.P.Q. 1 (1973). There is no requirement that the "best" mode disclosed in fact be the *optimum* mode of carrying out the invention. "Even if there is a better method, his [the patentee's] failure to disclose it will not invalidate his patent if he does not know of it or if he does not appreciate that it is the best method." *Benger Laboratories, Ltd.* v. *R.K. Laros Co.,* 209 F. Supp. 639, 644, 135 U.S.P.Q. 11, 15 (E.D. Pa. 1962), *aff'd per curiam,* 317 F.2d 455, 137 U.S.P.Q. 693 (3d Cir.), *cert. denied,* 375 U.S. 833, 139 U.S.P.Q. 566 (1963).

In the previous litigation, the district court concluded that the best mode of carrying out the invention *claimed* in the Hall Patent was not set forth because the "inventor Hall knew, at the time of filing his patent application which ultimately matured to the patent here in suit, that it was of advantage to provide ribs on the skirt portion of the stopper or internal closure, and that this provided advantage over internal closures carrying no such ribs." Continental argues that, because "the specification and drawings in the reissue application, and in the application which culminated in the issuance of the original Hall patent, are identical, the documents contain identical deficiencies which were found fatal by the Trial Court in the initial litigation"; that, therefore, collateral estoppel based on the prior holding of invalidity due to failure to set forth the best mode is proper. The theory of Continental's argument is that, absent a change in the specification or drawings of the original patent during reissue prosecution, a holding that there was a failure to set forth the best mode cannot be overcome. However, this simply overlooks that it is the best mode of carrying out the *claimed* invention that must be set forth pursuant to section 112. *Dale Electronics, Inc.* v. *R.C.L.*

> . . . [Plastic's "misleading presentation" to the PTO] is, however, much compounded by the additional fact that *Plaintiff did not inform the Patent and Trademark Office that the original patent had also been held invalid on the grounds of obviousness, failure to disclose the best mode and indefiniteness.* [Emphasis in the original.]

It is true, of course, that fraud in the prosecution of a patent (sometimes referred to as "inequitable conduct" or "bad faith") will, if established, result in the patent being held invalid and/or unenforceable. *See Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806, 65 U.S.P.Q. 133 (1945); *Admiral Corp.* v. *Zenith Radio Corp.* 296 F.2d 708, 716, 131 U.S.P.Q. 456, 462 (10th Cir. 1961).[25] For a defense founded on fraud to succeed, both materiality and intent must be established.

In determining materiality, the courts are not in agreement on the test to be applied. Three different tests have been used. The first is the *objective* "but for" test, *i.e.*, the misrepresentation was so material that, but for the misrepresentation, the patent not only would not have been issued but should not have been issued.[26] The second is the *subjective* "but for" test, *i.e.*, the misrepresentation caused the examiner to approve the application for patent when he would not otherwise have done so.[27] Thus, the subjective

[25] *See also* Dunner, Gambrell, & Adelman, 3A Patent Law Perspectives §§ G.1[1]-G.1[2] (1979); Miller, *Fraud on the PTO,* 58 J. Pat. Off. Soc'y 271 (1976); Kayton, Lynch, & Stern, *Fraud in Patent Procurement: Genuine and Sham Charges,* 43 Geo. Wash. L. Rev. 1 (1974).

[26] *Swift Chemical Co.* v. *Usamex Fertilizers, Inc.,* 197 U.S.P.Q. 10, 29 (E.D. La. 1977); *Corning Glass Works* v. *Anchor Hocking Glass Corp.,* 253 F. Supp. 461, 469, 149 U.S.P.Q. 99, 106 (D. Del. 1966), *modified,* 374 F.2d 473, 153 U.S.P.Q. 1 (3d Cir.), *cert. denied,* 389 U.S. 826, 155 U.S.P.Q. 767 (1967).

[27] *American Cyanamid Co.* v. *FTC,* 363 F.2d 757, 150 U.S.P.Q. 135 (6th Cir. 1966); *Waterman-Bic Pen Corp.* v. *W. A. Sheaffer Pen Co.,* 267 F. Supp. 849, 856, 153 U.S.P.Q. 499, 504 (D. Del. 1967).

test does not permit the reviewing court to conclude that, notwithstanding the misrepresentation, the patent was properly issued.[28] The third test has been labeled the "but it might have been" test, *i.e.*, the misrepresentation in the course of the patent prosecution might have influenced the examiner.[29]

Recently, this court in *True Temper Corp.* v. *CF&I Steel Corp.*, ____ F.2d ____, ____ U.S.P.Q. ____, Nos. 76-2106, 76-2107 (10th Cir. May 31, 1979) (hereafter "True Temper") had occasion to consider the defense of fraud in the prosecution of a patent application and made the following statement regarding the element of materiality of fraud (slip op. at 19-20):[30]

[28] As the U.S. Court of Customs and Patent Appeals said in *Norton* v. *Curtiss,* 57 C.C.P.A. 1384, 1405, 433 F.2d 779, 795, 167 U.S.P.Q. 532, 545 (1970):

> It is our view that a proper interpretation of the "materiality" element of fraud in this context must include therein consideration of factors apart from the objective patentability of the claims at issue, particularly (where possible) the subjective considerations of the examiner and the applicant. Indications in the record that the claims at issue *would* not have been allowed but for the challenged misrepresentations must not be overlooked due to any certainty on the part of the reviewing tribunal that the claimed invention, viewed objectively, *should* have been patented. If it can be determined that the claims would *not* have been allowed *but for* the misrepresentation, then the facts were material regardless of their effect on the objective question of patentability. [Footnote omitted; emphasis in original.]

[29] *Monsanto Co.* v. *Rohm & Haas Co.,* 456 F.2d 592, 172 U.S.P.Q. 323, *cert. denied,* 407 U.S. 934, 174 U.S.P.Q. 129 (1972); *Carter-Wallace Inc.* v. *Davis-Edwards Pharmacal Corp.,* 443 F.2d 867, 169 U.S.P.Q. 625 (2d Cir. 1971); *SCM Corp.* v. *Radio Corp. of America,* 318 F. Supp. 433, 449, 167 U.S.P.Q. 196, 207-08 (S.D. N.Y. 1970).

[30] The court (slip op. at 14) also concluded that denial of enforcement of patents rests not only on intentional fraud on the PTO, but also where "misrepresentations [are] made in an atmosphere of gross negligence as to their truth."

True Temper argues that information is material . . . only if the examiner would not have issued the patent "but for" the applicant's failure to disclose the information in question, and that this was not shown here.

We feel, however, that the Fee and Sutch affidavits were clearly shown to be material to issuance of the '690 patent.[10] We note that the trial judge found that

[10] The Fee affidavit was submitted in an effort to overcome the Patent Examiner's initial rejection of True Temper's claims—a rejection based largely on his view that the perceptible differences between the Channeloc anchor and the pre-existing Williams patent were "of no significance and a variation in design within the realm of one skilled in the art." (IV App. 314). Although the patent was not granted immediately on receipt of that affidavit, the Examiner did state that "a showing that the [True Temper] anchor is more easily applied than prior art structures but maintains the prior art's holding character *would be influential* in the determination of patentability" (*Id.* at 326, emphasis added).

The Sutch affidavit was thereupon submitted together with remarks of counsel making reference to both the Fee and Sutch affidavits (*id.* 329, 343), and the subject patent was issued. *It is reasonable to conclude that, had he known that the reported comparisons were inherently unreliable, the Examiner would have again denied the patent—at the least requiring True Temper to conduct more meaningful tests.* [Emphasis added.]

"[p]laintiff failed to disclose material facts to the Patent Office and submitted evidence which was inaccurate, incomplete and misleading." And the court found "the failure of plaintiff to disclose relevant information to be substantial in nature." Although the trial judge here did not phrase his findings in strict terms of "but-for" causality, *see* Norton v. Curtiss, *supra*, 433 F.2d at 795, we feel that the findings and the record here adequately support the denial of enforcement of the patent. *See* Timely Products Corp. v. Arron, 523 F.2d 288, 297-98 [187 U.S.P.Q. 257, 263-64] (2d Cir. [1975]); SCM Corp. v. Radio Corporation of America, 318 F.Supp. 433, 449-50 [167 U.S.P.Q. 196, 207-08] (S.D.

N.Y. [1970]). *The withheld information was material in that it was relevant and clearly significant to the consideration of the application by the Patent Office. See* Monsanto Co. v. Rohm & Haas Co., *supra*, 456 F.2d at 599-600 [172 U.S.P.Q. at 328-29]. [Emphasis added.]

The foregoing indicates that the *True Temper* court applied the subjective "but for" test and clearly did not apply the objective "but for" test. Although an argument can be made for the "but it might have been" test, we conclude that such a test is too speculative and that the more practical test is whether the examiner would have rejected the claims had he known all of the facts.[31] At the same time, the subjective "but for" test holds a patent applicant to the obligation of candor and good faith required because of the "paramount [public] interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct." *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.*, *supra* at 816, 65 U.S.P.Q. at 138.

On the facts before us, we are not persuaded that Plastic misrepresented to the PTO the previous holding of invalidity of this court.[32] Continental's argument that this court's holding in the previous litigation was not based on a mere technicality (failure "to claim a combination key-thumb abutment") does not overcome the fact that any representation by Plastic regarding this court's opinion was subject to an independent evaluation by the ex-

[31] The subjective test does not differ greatly from the "but it might have been" test. It looks to the *reasonable probability* that the misrepresentation caused the examiner to approve the claims; whereas the latter looks to the *possibility* that the misrepresentation would have caused the examiner to approve the claims.

[32] This case is readily distinguishable from those fraudulent prosecution cases in which the existence of the relevant prior art was not even known to the examiner, who was thus denied the opportunity for an independent evaluation.

aminer who, as related above, was furnished a copy of that opinion.[33]

Moreover, we are not persuaded that it was Plastic's duty, under penalty of invalidation or nonenforcement of its reissue patent for fraudulent prosecution, to provide the examiner with a copy of the district court's decision. To the extent that the district court's findings of fact and conclusions of law were material to the prosecution of the reissue application, we regard it as decisive that the examiner was put on notice of the district court's opinion by the copy of this court's opinion and by Plastic's specific reference to the district court case during that prosecution. The examiner could readily have obtained a copy of the district court's opinion, along with the briefs, record transcript, exhibits, and other documents associated with the trial, from Plastic or from the district court itself. At the same time, the record does not disclose a reasonable probability that the examiner would have rejected the claims had a copy of the district court's findings of fact and conclusions of law been submitted to him.[34] Accordingly, we hold that the Hall Reissue was not fraudulently procured.

[33] Continental's argument would effectively preclude an applicant from interpreting in good faith any legal precedent or any piece of prior art before the PTO.

[34] Because the Hall Reissue claims are significantly different from those of the Hall Patent, the necessity for making new factual determinations (such as required by *Graham* v. *John Deere Co., supra,* on the issue of obviousness) would have been apparent to the examiner. Consequently, it is improbable that the examiner would have attached any importance to the district court's alternative holdings of invalidity. This conclusion is reinforced by the fact that, although the examiner was fully aware that there were alternative holdings of invalidity by the district court (argued by Continental to be clear from this court's previous opinion), he did not request further information.

(3) Intervening Rights Issue

As related earlier, Continental argues that it has acquired intervening rights under 35 U.S.C. § 252[35] and, thus, should not be held liable for damages for infringement of the Hall Reissue claims, saying (brief at 45):

> In the instant case, it would be a travesty of justice and a denial of equity to hold that the Defendant herein [Continental] should pay any damages or compensation to this Plaintiff [Plastic] on the ground that the Defendant has infringed the reissue patent of the Plaintiff, when the Defendant made and sold only the same structure after the date of issuance of the reissue patent which it had been making and selling for at least four years prior to the time that the Plaintiff obtained its reissue patent, and which structure, in fairly and fully contested litigation between these same parties, was held not to be an infringement of the Plaintiff's originally issued, subsequently held invalid patent upon which the reissue patent is based.

This raises the question of whether equity requires that Continental be allowed to continue to make, use, and sell the infringing goods "for the protection of investments made or business commenced before the grant of the re-

[35] Under 35 U.S.C. § 252, quoted in pertinent part in note 13, *supra,* an infringer has the unqualified right to continue to use or sell those infringing goods which were made, purchased, or used prior to the reissue grant, unless he infringes a valid claim of the reissue patent which was in the original patent. Also, the court may provide, to the extent it deems equitable, for either the conditional or unconditional continuation of the making, using, and selling of the infringing goods or process. We perceive Continental's argument to be directed to its continued right to make, use, and sell the infringing goods rather than its right to merely use or sell such goods made prior to the grant of the reissue.

issue."[36] Section 252 is an exception to the general grant to the reissue patentee of the right to exclude others from making, using, or selling the patented invention (35 U.S.C. § 271) and, as such, may only be invoked when equity requires.

The district court made no findings of fact on this question, and, assuming, *arguendo*, the truth of Continental's allegations, the record is insufficient for this court to determine whether equity requires that Continental be given the right to continue to infringe the Hall Reissue Claims.[37] On the basis of an affidavit of the President of Continental which was attached to its motion for summary judgment, Continental alleges that it "embarked upon an extensive market investigation, and investigation of various types of safety closure," beginning in 1970; that its first "Med-Guard" safety closures[38] were produced and sold in August 1972, as were the Continental "Med-Vials" (the medicine containers); that, "[i]n the course of the market research and product research and development, including

[36] In view of our decision on this question, it is unnecessary to reach such questions as: (1) whether intervening rights can apply to reissue claims which are narrower in scope than the original patent claims (*compare Corometrics Medical Systems, Inc.* v. *Berkeley Bio-*claims (*compage Corometrics Medical Systems, Inc.* v. *Berkeley Bio-Engineering, Inc.*, 193 U.S.P.Q. 467, 478 (N.D. Cal. 1977), *and Wayne-Gossard Corp.* v. *Moretz Hosiery Mills, Inc.*, 384 F. Supp. 63, 74-75, 183 U.S.P.Q. 601, 609 (W.D. N.C. 1974), *modified*, 539 F.2d 986, 191 U.S.P.Q. 543 (4th Cir. 1976), *with Wayne-Gossard Corp.* v. *Sondra, Inc.*, 434 F. Supp. 1340, 1362-63, 195 U.S.P.Q. 777, 796-97 (E.D. Pa. 1977) *and Wayne-Gossard Corp.* v. *Moretz Hosiery Mills, Inc.*, 539 F.2d 986, 990-91, 191 U.S.P.Q. 543, 546-47 (4th Cir., 1976)); (2) what, if any, effect did the prior holding of invalidity have upon Continental's intervening rights.

[37] We assume the validity of the Hall Reissue claims which will be determined by the district court upon remand, as discussed *infra*.

[38] The "Med-Guard" safety closure includes an internal plug which fits in the mouth of the vial and an external cap which snaps over the outside of the vial at the mouth thereof.

the patenting of certain other safety closure structures, Continental Plastics expended an amount of approximately $33,000"; that, "[i]n tooling up for the initial production of the 'Med-Guard' safety closure structure, Continental Plastics invested approximately $31,398";[39] that, in the first year of production, it invested $9,872 in advertising the "Med-Guard" safety closure structure;[40] and that, as of early 1977, its "total investment in tooling and equipment necessary to manufacture, sort and sell the 'Med-Guard' safety closure structure was $75,000."[41]

Continental seeks to continue to infringe the Hall Reissue and even expand its operations throughout the remainder of the life of the Hall Reissue without royalty fees or damages. This would effectively extinguish the patentee's rights under the guise of protecting the investment of an infringer. *See Wayne-Gossard Corp.* v. *Sondra, Inc.*, *supra* at 1363, 195 U.S.P.Q. at 797. Continental's activities in the safety closure field commenced subsequent to issuance of the Hall Patent in 1969,[42] and Continental

[39] From the record, it is not clear whether all or part of this initially "tooling up" figure is included in the cost of research and development which also would have been incurred prior to initial production.

[40] Advertising and sales for the subsequent four years were:

Year	Advertising	"Med-Vial" Sales	"Med-Guard" Sales
1973	$ 4,200.00	$ 836,596	$75,680
1974	$ 3,000.00	$ 797,567	$63,257
1975	$ 3,000.00	$ 987,989	$59,811
1976	$17,000.00	$1,088,153	$49,740

[41] It is the total investment "before the grant of the reissue" that may be protected, as equity demands; thus, any investment subsequent to June 15, 1976, is irrelevant to the consideration of intervening rights.

[42] Continental has presented no evidence that its activities were conducted in reliance upon the scope of the Hall Patent claims. *See Maxon Premix Burner Co.* v. *Mid-Continental Products Co.*, 279 F. Supp. 164, 168, 155 U.S.P.Q. 434, 445 (N.D. Ill. 1967). Absent such evidence, we need not consider the validity of Continental's argument that "a defendant who had acted upon *the belief which*

has had the benefit of several years' production for which no damages can be assessed. During that time its sales greatly increased, possibly resulting in profits sufficient to recover what appears to have been a minimal investment.[43] *Cf. Wayne-Gossard Corp.* v. *Sondra, Inc., supra.* Moreover, from the record it appears that other noninfringing goods can be manufactured from the same equipment currently being used to manufacture the infringing goods, so that not all of Continental's investment would be lost if it were precluded from infringing the Hall Reissue. *Cf. Wayne-Gossard Corp.* v. *Moretz Hosiery Mills, Inc.*, 447 F. Supp. 12, 16, 199 U.S.P.Q. 87, 89-90 (W.D. N.C. 1976), *after remand from* 539 F.2d 986, 191 U.S.P.Q. 543 (4th Cir. 1976).

In view of the foregoing and assuming the Hall Reissue is valid, we hold that Continental has not acquired intervening rights sufficient to justify continuing the manufacture of the infringing goods; nevertheless, equity requires that Continental be entitled to recoup its investment and to offset, against any infringement damages, the reasonable cost of converting or replacing its present equipment in order to produce noninfringing goods. *Id.* Because Continental's investments, expenditures, and recoupment through profits have not been proved with the requisite precision, and, further, because the reasonable costs of conversion have not been demonstrated, the case must be remanded for further proceedings consistent with this opinion with respect to these matters. *Cf. Wayne-Gossard*

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[42] (Continued)

was well founded that the original patent issued to the plaintiff was invalid, and had proceeded to invest large amounts in connection with the manufacture and sale of the accused device, thereby acquired intervening rights with respect to the plaintiff's reissue patent, and therefore could assert such defense against an infringement suit brought on the reissue patent." (Emphasis in original.)

[43] Continental's alleged investment figures include marketing research as well as expenses incurred in obtaining patents on other devices.

v. *Moretz Hosiery Mills, Inc.*, 539 F.2d 986, 991-92, 191 U.S.P.Q. 543, 547 (4th Cir. 1976); *Rohm & Haas Co.* v. *Chemical Insecticide Corp.*, 171 F. Supp. 426, 120 U.S.P.Q. 435 (D. Del. 1959).

(4) Plastic's Cross-Motion for Summary Judgment

As noted *supra* in the proceedings before the district court, Plastic cross-moved for summary judgment on infringment and validity. Because we conclude that the district court improperly granted Continental's motion for summary judgment, it is necessary to consider Plastic's motion.

A. Infringement

In "DEFENDANT'S ANSWER TO PLAINTIFF'S REQUESTS FOR ADMISSIONS UNDER RULE 36 OF THE RULES OF CIVIL PROCEDURE," filed February 22, 1977, Continental admitted that subsequent to June 15, 1976, it made, used, and sold a container ensemble on which claims 5 and 8 of the Hall reissue can literally be read. It specifically admitted infringement of claim 8; and regarding claim 5, it said:[44]

> The character of claim 5 of the reissue patent is not susceptible to precise determination or understanding. It is noted that claim 1 does not form any part of the reissue patent, and yet it is further noted that claim 5 refers to "the safety closure of claim 1 wherein", followed by a description of certain structure. It is thus not possible to determine to what structure claim 5 refers. It would appear that this claim is indefinite and incomplete on its face, and in such respect it is not possible to determine whether this claim "can literally

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[44] Almost verbatim admissions were made regarding use and sale of infringing containers.

be read" upon any container ensemble which the Defendant has made subsequent to June 15, 1976.

If claim 5 be interpreted to include all of the structural limitations from claim 1 of the original Hall patent, it is not believed that this claim can literally be read upon a container ensemble which the Defendant has made subsequent to June 15, 1976, if a key recess is interpreted to mean a hole formed through the internal closure in the manner that such recess is illustrated and described in the Reissue patent 28,861.

Further, if the structural limitations and description appearing in claim 1 of the original Hall patent be construed as incorporated into claim 5 of the reissue patent in suit, and if the second definition found in Webster's International Dictionary and the American Heritage Dictionary of the English Language be taken as the meaning of the word "coincident," then Defendant denies that claim 5 of Plaintiff's Reissue patent 28,861 can literally be read upon any container ensemble which the Defendant has made subsequent to June 15, 1976.

If the term "coincident," as used in an integrated combination of claim 1 of the original Hall patent and claim 5 of the reissue patent, means that the recess is at the top of the container assembly while the key is at the side of the container assembly, such claim cannot be literally read on any structure which the Defendant has made since June 15, 1976.

If the term "coincident" appearing in claim 1, for purposes of attempting to answer this request for admissions, is assumed to mean "alongside" as it has been previously defined by Mr. Hall, the inventor, then claim 5 cannot literally be read upon any structure which has been manufactured or sold by the Defendant since June 15, 1976.

If the term "coincident" as used in claim 1 of the original Hall patent, assumed for purposes of attempting to answer this request for admissions to be incorporated in claim 5, means "occupying the same position simultaneously," and provided that all of the limitations of claim 1 are so incorporated in claim 5, then claim 5 of the reissue patent in suit can be literally read upon container ensembles which have been made by the Defendant since June 15, 1976. [Emphasis added.]

Since we concluded earlier that the language added to claim 5 during the reissue prosecution corrected any ambiguity regarding the definition of "coincident" and that claim 1 is specifically incorporated into claim 5, it is clear that infringement of claim 5 is admitted and that the district court should have entered summary judgment for Plastic on the infringement issue.

B. Validity

Although we already have concluded that the adjudication of obviousness in the prior litigation has no collateral estoppel effect upon Hall Reissue claims 5 and 8, the question remains whether the subject matter as a whole of these claims would have been obvious to one of ordinary skill in the art at the time the invention was made. Plastic correctly states that the Hall Reissue claims are presumed valid (35 U.S.C. § 282); and this particularly so where the PTO considered all of the prior art before the courts in the previous litigation. *See Scaramucci* v. *Dresser Industries, Inc.*, 427 F.2d 1309, 1313, 165 U.S.P.Q. 759, 762-63 (10th Cir. 1970). Nevertheless, Continental should have an opportunity to show the obviousness of the Hall Reissue claims by presenting to the district court additional prior art (not before the PTO) which it considers pertinent. *See Solder Removal Co.* v. *United States International Trade Commission*, 582 F.2d 628, 632, 199 U.S.P.Q. 129, 133 (C.C.P.A. 1978). The obviousness or nonobviousness of the Hall Reissue claims can then be determined in accordance

with the analytical guidelines established by the Supreme Court in *Graham* v. *John Deere Co., supra.*[45] We note that these guidelines do not require that, for a combination of known elements[46] to be nonobvious, the result achieved by the combination must be synergistic.[47] *Champion Spark Plug Co.* v. *Gyromat Corp.*, ... F.2d ....., ..., ... U.S.P.Q. ....., ..., No. 78-7556, slip op. at 3598-99 (2d Cir. 1979); *Republic Industries, Inc.* v. *Schlage Lock Co.*, 592 F.2d 963, 970, 200 U.S.P.Q. 769, 777 (7th Cir. 1979).[48] "If the level of skill of a person of ordinary skill in the pertinent art

[45] This court's opinion in the previous litigation merely stated that because Plastic did not claim the dual function feature of the abutment key upon which it was relying, the claims were obvious. Contrary to Plastic's assertion, that opinion did not say that if the dual function feature had been claimed, the claims would have been nonobvious.

[46] Most, if not all, inventions involve a combination of old or known elements. *Shaw* v. *E.B. & A.C. Whiting Co.*, 417 F.2d 1097, 1102, 163 U.S.P.Q. 580, 584 (2d Cir. 1969), *cert. denied*, 397 U.S. 1076, 165 U.S.P.Q. 417 (1970); *Reiner* v. *I. Leon Co.*, 285 F.2d 501, 503, 128 U.S.P.Q. 25, 27 (2d Cir. 1960), *cert. denied*, 366 U.S. 929, 129 U.S.P.Q. 502 (1961).

[47] Although the court in *True Temper, supra*, slip op. at 26, correctly followed the *Graham* analytical guidelines, broad dictum in its opinion suggests, without discussion, a requirement of synergism. *See also Deere & Co.* v. *Hesston Corp.*, 593 F.2d 956, 963, 201 U.S.P.Q. 444, 449 (10th Cir. 1979).

[48] The court in *Republic Industries* said (*supra* at 971, 200 U.S.P.Q. at 778):

> In enacting section 103, Congress expressly mandated nonobviousness, not synergism, as the sole test for the patentability of novel and useful inventions: indeed, synergism is not even mentioned in the Patent Act of 1952. Moreover, as section 103 applies to all patent claims, there is no justification why patentability of a combination patent should be measured by a different standard than any other type of invention.
>
> More importantly, when using the synergism approach to determine whether one element functions differently or whether the whole somehow exceeds the parts, one is required to look solely to the operation of the elements *after* they are combined. This analysis suffers from two defects. First, a test which looks exclusively to the functioning of the individual components after they are combined must necessarily be premised on the assumption that it is always obvious to take known elements and combine them. . . .
>
> The second and more basic defect with syngerism is that section 103 sets as the standard of patentability the nonobviousness of the invention "at the time the invention was made to a person having ordinary skill in the art. . . ." This provision therefore compels the courts to view the invention from the vantage point of the field of art at a specific point in time, *i.e.*, the time the invention was made. *See* Rich, *Principles of Patentability*, 28 Geo.Wash.L.Rev. 393, 405-06 (1960). From this vantage point the critical question becomes whether the level of skill in the art was such that the combining of the elements in the manner claimed would have been obvious, not in retrospect, but at the time it was done by the inventor. As the Supreme Court stated in *United States* v. *Adams*, 383 U.S. 39, 50, 86 S.Ct. 708, 713, 15 L.Ed.2d 572 [148 U.S.P.Q. 479, 483] (1966), a companion case to *Graham:*
>
> > It begs the question . . . to state merely that magnesium and cuprous chloride were individually know battery components. If such a combination is novel, the issue is whether bringing them together as taught by [the inventor] was obvious in the light of the prior art.
>
> Syngerism, however, precludes this analysis. Because syngerism centers exclusively on the performance of the elements *after* combination and without regard to the obviousness or nonobviousness of *making the combination*, synergism does not comport with the *Graham* mandate to apply section 103.

is such that the differences between the subject matter sought to be patented and the prior art would not have been obvious to that person, the test for nonobviousness is met." *Champion Spark Plug Co.* v. *Gyromat Corp., supra*, slip op. at 3599.

Accordingly, the case must be remanded for determination, consistent with this opinion, of the question of obviousness of the subject matter as a whole of Hall Reissue claims 5 and 8.[49]

[49] We recognize Continental's right to raise at trial other questions regarding the validity of the Hall Reissue which have not been disposed of in this opinion.

(5) Attorney Fees

In its August 5, 1977, order, the district court awarded Continental its attorney fees, apparently in accordance with 35 U.S.C. § 285, which states that "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party." Entitlement to attorney fees arises from "such misconduct upon the part of the losing party as to constitute fraud on the Patent Office or [conduct] so unfair and reckless as to make it unconscionable for the prevailing party to sustain the expense of counsel."[50] *Q-Panel Co.* v. *Newfield,* 482 F.2d 210, 211, 178 U.S.P.Q. 521, 522 (10th Cir. 1973). The award of attorney fees under section 285 is compensatory rather than punitive. *Halliburton Co.* v. *Dow Chemical Co.,* 514 F.2d 377, 382, 185 U.S.P.Q. 769, 773 (10th Cir. 1975). Although the award of attorney fees is discretionary with the trial court, such an award is proper only when the case is exceptional. *Id.; Iron Ore Co. of Canada* v. *Dow Chemical Co.,* 500 F.2d 189, 195, 182 U.S.P.Q. 520, 524 (10th Cir. 1974).

It is apparent from the record that the district court set forth no conclusion of law that this case was "exceptional" within the meaning of section 285; nor did the court make any findings of fact that would support such a conclusion.

This, coupled with our holdings and conclusions set forth above, prompts us to hold that the district court's award of attorney fees to Continental was improper.

[50] In *True Temper, supra,* slip op. at 31-32, the court said:

> where the plaintiff was aware of the obvious invalidity of his patent at the time he brought suit, Tidewater Patent Development Co. v. Kitchen, 371 F.2d 1004, 1013 [152 U.S.P.Q. 36, 656] (4th Cir. [1966]), *cert. denied,* 389 U.S. 821 [155 U.S.P.Q. 768 (1967)], or where the litigation once instituted was vexatious or unduly protracted, Uarco Incorporated v. Moore Business Forms, Inc., 440 F.2d 580, 586 [169 U.S.P.Q. 263] (7th Cir.), *cert. denied,* 404 U.S. 873 [171 U.S.P.Q. 322 (1971)], the case may be deemed "exceptional" within the statute so that the prevailing defendant is saved from the undue hardship of bearing his own fees. *See* Parker v. Motorola, Inc., 524 F.2d 518 [188 U.S.P.Q. 225] (5th Cir. [1975]), *cert. denied,* 425 U.S. 975 [190 U.S.P.Q. 172 (1976)]; Seismograph Service Corp. v. Offshore Raydist, Inc., 263 F.2d 5 [119 U.S.P.Q. 146, *modified on rehearing,* 263 F.2d 24, 120 U.S.P.Q. 244] (5th Cir. [1959]); see also L. F. Strassheim Co. v. Gold Medal Folding Furniture Co., 477 F.2d 818 [177 U.S.P.Q. 673] (7th Cir. [1973]).

SUMMARY

The district court's denial of Plastic's cross-motion for summary judgment is reversed on the issue of infringement; its dismissal of Plastic's complaint and entry of summary judgment in favor of Continental are reversed; its award to Continental of attorney fees is reversed; and the case is remanded for further proceedings, consistent with this opinion, on the question of validity of the Hall Reissue and (in the event the presumption of validity of the Hall Reissue is not overcome by Continental) on the matters pertaining to Continental's intervening rights, discussed *supra.*

REVERSED and REMANDED

UNITED STATES COURT OF APPEALS
TENTH CIRCUIT

[Filing Stamp omitted in printing]

Before Honorable Oliver Seth, Chief Judge, Honorable Robert H. McWilliams, Honorable James E. Barrett, Honorable William E. Doyle, Honorable Monroe G. McKay, Honorable James K. Logan, Circuit Judges, and Honorable Jack R. Miller, Judge*

PLASTIC CONTAINER CORPORATION, Plaintiff-Appellant,

v. No. 77-1753

CONTINENTAL PLASTICS OF OKLAHOMA, INC., Defendant-Appellee.

ORDER

Appellee Continental Plastics of Oklahoma, Inc., has filed a Petition for Rehearing with respect to this court's opinion filed August 8, 1979, which, among other matters, reversed the district court's dismissal of appellant Plastic Container Corporation's complaint and its entry of summary judgment in favor of appellee; and reversed the district court's denial of appellant's cross-motion for summary judgment on the issue of infringement.

The petition is essentially grounded on this court's statement:

> Therefore, we conclude that the claimed invention of the Hall Reissue cannot be considered substantially identical to the claimed invention of the Hall patent for purposes of collateral estoppel.

* Of the United States Court of Customs and Patent Appeals

Petitioner argues that appellant has made a "binding factual admission" in its brief on appeal (Intervening Rights Issue), stating:

> Here . . . the scope of a reissue claim (reissue claim 5) is identical or substantially identical to the scope of an original claim (original claim 5). The only difference is the addition of a —whereby— clause.

Petitioner also points out that appellant made the same "admission" in its OPPOSITION TO DEFENDANT'S MOTION FOR SUMMARY JUDGMENT before the district court. However, it is not apparent from the district court's order granting the motion of Continental Plastics for summary judgment that the court considered the "admission."

Briefs are not a part of the record,[1] and in those cases in which statements in a brief were considered as admissions, it appears that the court did so as a matter of discretion. *See Leslie* v. *Knight Soda Fountain Co.*, 55 F.2d 224, 225 (2d Cir. 1932); *Young & Vann Supply Co.* v. *Gulf, F. & A. Railway Co.*, 5 F.2d 421, 423 (5th Cir. 1925). Moreover, the alleged "admission" of appellant here appears to be contrary to the argument in its brief (p. 9) that—

> The claims here in issue, i.e., claims 5 and 8 of the Reissue patent, were not in issue in the prior litigation and were redrafted specifically to avoid the basis on which this Court of Appeals held original Claim 5 invalid. . . . collateral estoppel . . . does not and cannot apply to the validity of claims 5 and 8 of the Reissue patent.

Considering that this case is on appeal from an order granting summary judgment, the court has, in furtherance of the proper administration of justice, decided the issue of collateral estoppel on the merits of the case. In its petition, appellee seeks to further argue the merits, point-

[1] *Cole* v. *Ross Coal Co.*, 150 F. Supp. 808, 809-10, and cases cited (D.C. W. Va. 1957), *aff'd* 249 F.2d 600 (4th Cir. 1957).

ing out that the language added to reissue claim 5 consists of a "whereby" clause and asserting that such a clause "*cannot* be anything more than a statement of an inherent function of the structure defined prior to the 'whereby' clause" (citing *In re Mason,* 44 CCPA 937, 940, 244 F.2d 733, 735, 114 U.S.P.Q. 127, 129 (CCPA 1957)). However, *Mason* does not stand for such a broad proposition; and the idea that functional language ipso facto cannot precisely define novelty in structure was laid to rest in *In re Swinehart*, 58 CCPA 1027, 439 F.2d 210, 169 U.S.P.Q. 226 (CCPA (1971).[2] It is clear that the added language in reissue claim 5, "the key carried by the external cap functions as a tab against which the thumb is pressed in a generally upward direction to remove the external cap," defines and limits structure of the key carried by the external cap so that the thumb can be pressed in an *upward* direction. Such a structural limitation is not inherent in original claim 5 (which, *e.g.*, permits structure for a rotational or downward direction for cap removal), as urged by petitioner. *See In re Mott*, 557 F.2d 266, 194 U.S.P.Q. 305 (CCPA 1977).

In view of the foregoing, it is ORDERED:

That the petition is granted to the extent that the court has considered petitioner's arguments and, in all other respects, is hereby denied.

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[2] Footnote 2 of the opinion in *In re Swinehart* states:

> Nevertheless, we are unable to see merit in any proposition which would require the denial of a claim *solely* because of the *type* of language used to define the subject matter for which patent protection is sought. Insofar as the opinion in *In re Fisher,* 50 CCPA 1025, 307 F. 2d 948, 135 USPQ 22 (1962), cited and relied on by the Patent Office here is inconsistent with the above statement, it will no longer be followed. Any doubt whether claims containing language such as that used in the *Fisher* case would be patentable was laid to rest last term when this court reversed the Patent Office position when the Fisher application came before us for a second time. See *In re Fisher,* 57 CCPA 1099, 427 F.2d 833, 166 USPQ 18 (1970).

UNITED STATES COURT OF APPEALS
TENTH CIRCUIT

SEPTEMBER TERM — OCTOBER 11, 1979

Before Honorable James E. Barrett, Honorable James K. Logan, Circuit Judges, and Honorable Jack R. Miller, Judge*

PLASTIC CONTAINER CORPORATION, Plaintiff-Appellant,	)	
vs.	)	No. 77-1753
CONTINENTAL PLASTICS OF OKLAHOMA, INC., Defendant-Appellee.	)	

This matter comes on for consideration of appellee's motion for stay of mandate in the captioned cause pending application to the Supreme Court for certiorari.

Upon consideration whereof, it is ordered that the mandate shall be stayed until November 10, 1979, pending certiorari and that on or before that date, there is filed with the Clerk of the Court of Appeals a notice from the Clerk of the Supreme Court of the United States that appellee has timely filed a petition for writ of certiorari in the Supreme Court, the stay shall continue until final disposition by the Supreme Court.

Decision on whether a bond or other security is to be re-required is reserved pending a showing of a need therefor by Plastic Container Corp., such showing to be made within thirty days from the date of this order. Rule 41(b) of the Federal Rules of Appellate Procedure.

HOWARD K. PHILLIPS
Clerk

* Of the U.S. Customs and Patent Appeals, sitting by designation

UNITED STATES COURT OF APPEALS
TENTH CIRCUIT

SEPTEMBER TERM — OCTOBER 26, 1979

Before Honorable James E. Barrett, Honorable James K. Logan, Circuit Judges, and Honorable Jack R. Miller, Judge, U. S. Court of Customs and Patent Appeals

PLASTIC CONTAINER CORPORATION, Plaintiff-Appellant,	)	
vs.	)	No. 77-1753
CONTINENTAL PLASTICS OF OKLAHOMA, INC., Defendant-Appellee.	)	

This matter comes on for further consideration of the Court's order entered herein on October 11, 1979, in light of the Plaintiff's opposition to the Defendant's motion for stay of mandate.

Upon consideration whereof, the Court concludes that the opposition is well taken.

It is ordered that the stay entered October 11, 1979, is vacated.

It is further ordered that the mandate in the captioned cause shall issue forthwith.

(s) Howard K. Phillips
HOWARD K. PHILLIPS
Clerk

IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

[Filing Stamp omitted in printing]

PLASTIC CONTAINER CORPORATION, Plaintiff,	)	
vs.	)	No. CIV-76-1011-C
CONTINENTAL PLASTICS OF OKLAHOMA, INC. Defendant.	)	

ORDER GRANTING MOTION FOR SUMMARY JUDGMENT AND JUDGMENT

Upon careful consideration of the motion of the defendant for summary judgment and the cross-motion of the plaintiff for summary judgment, and the Court being fully advised,

The Court finds that the defendant, Continental Plastics of Oklahoma, Inc., is entitled to summary judgment as a matter of law.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the defendant's motion for summary judgment be, and the same is hereby granted; that the plaintiff's cross-motion for summary judgment be, and the same is hereby denied; that the plaintiff's complaint be, and the same is hereby dismissed; that judgment be, and the same is hereby entered in favor of defendant, Continental Plastics of Oklahoma, Inc., and against plaintiff, Plastic Container Corporation; and that the defendant recover its costs and reasonable attorney's fees herein.

DATED THIS 5TH DAY OF AUGUST, 1977.

(s) Stephen S. Chandler
UNITED STATES DISTRICT JUDGE

ENTERED IN JUDGMENT DOCKET ON 8-5-77

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

[Filing Stamp omitted in printing]

PLASTIC CONTAINER CORP., Plaintiff,	)	
	)	Civil
vs.	)	Action
	)	72-825
CONTINENTAL PLASTICS OF OKLAHOMA, INC. Defendant.	)	

JUDGMENT ORDER

This matter has come before the Court upon the complaint of the Plaintiff, based upon a charge of patent infringement, under Title 35 United States Code, Section 271, of United States Patent 3,473,681 entitled "Safety Medicine Bottle Closure", and further alleging willful infringement of said patent by the Defendant. The Defendant answered, denying the charge of infringement alleged by Plaintiff, and further denying that if such infringement should be found by the Court, such infringement was willful on the part of the Defendant. The Defendant asserted a counterclaim against the Plaintiff alleging and charging that U.S. Patent 3,473,681 was invalid and improperly issued by the U.S. Patent Office.

Prior to the trial, the Plaintiff restricted its charges of infringement of the patent in suit by the Defendant to infringement of claims 1-5 and 7 of the patent.

The case came on for trial on November 14 and 15, 1973 by the Court sitting without a jury, the parties appearing in person and by counsel. The Court heard and considered the oral testimony of witnesses, including expert witnesses presented by both parties, and the Court read and considered the exhibits presented at the trial,

all deposition testimony and exhibits, all interrogatories and the answers made thereto and all requests for admissions and responses made thereto. The Court also considered the trial briefs submitted in advance of the trial by the parties.

Subsequently to the trial of this cause, the Court has made Findings of Fact and reached Conclusions of Law. On the basis of such Findings and Conclusions, IT IS NOW HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The Court has jurisdiction of the parties and the subject matter of this suit under the Patent Laws of the United States.

2. The Plaintiff is the owner of all right, title and interest in and to Hall United States Patent 3,473,681.

3. Each and all of the claims of United States Patent 3,473,681 are invalid.

4. The Complaint and all causes of action asserted by the Plaintiff are dismissed with prejudice.

5. Plaintiff shall pay to the Defendant, the Defendant's taxable costs.

6. The matter of whether the Defendant is entitled under 35 U.S.C. 285 to an award of attorney's fees may be presented and considered separately at the time of settling costs.

Dated this 13th day of December, 1973.

(s) Stephen S. Chandler
United States District Judge

UNITED STATES COURT OF APPEALS
TENTH CIRCUIT

No. 74-1123

[Filing Stamp omitted in printing]

PLASTIC CONTAINER CORP., Plaintiff-Appellant,	)	Appeal from the United States District Court for the Western District of Oklahoma (D.C. No. 72-825)
vs.	)	
CONTINENTAL PLASTICS OF OKLAHOMA, INC., Defendant-Appellee.	)	

Thomas J. Greer, Jr., Washington, D.C. (James A. Peabody, Oklahoma City, Oklahoma, on the brief; Of Counsel: Walter D. Ames) for Appellant.

William R. Laney, Oklahoma City, Oklahoma, for Appellee.

Before MURRAH, BARRETT and DOYLE, Circuit Judges.

BARRETT, Circuit Judge.

Plastic Container Corp., (Plastic), appeals from an adverse judgment following trial to the Court in a patent infringement action which it brought as assignee, against Continental Plastics of Oklahoma, (Continental). The Trial Court held the patent invalid.

United States Letters Patent No. 3,473,681, ('681), was issued to Samuel Hall, Jr., on October 21, 1969, for a "Safety Medicine Bottle Closure." Letters were issued subsequent to the first and only application which was granted without modification or rejections. The bottle was developed during Hall's employment with Plastic, at a time when

Plastic desired to market a child-proof safety medicine bottle prior to the passage of federal regulations governing same.

Hall developed the safety bottle set forth in '681 on the predicate that it should be designed around the standard medicine bottle. As developed, the bottle included a basic container with an opening; a snap cap; a modified thumb tab or "key" attached to the snap cap; and a second cap positioned in the container opening in the form of a plug (safety closure) with a recess in the top. Medicine could thus be extracted from the bottle by removing the snap cap, inserting the modified thumb tab into the recess of the inner plug, and thereafter pulling out the plug.

Substantial documentary evidence was presented by both parties setting forth '681, defendant's accused infringing container, and exhibits relating to the prior art which, allegedly, had not been considered by the patent office in its search. At the close of the evidence, the Court ruled from the bench, in part noting:

> - - - It's my opinion that the patent lacks novelty, and was anticipated by the prior art, and I think there is a complete lack of inventiveness. I think that under those circumstances, that it is my duty to determine the matter in favor of the defendant, and I think particularly that the Velt and the Mostoller, as the others, too, show that everything here in this patent was anticipated by the prior art.

After so holding, the Court advised Plastic that if it filed a Motion for New Trial that it would be considered very carefully with an open mind. Plastic did not file the motion.

On appeal Plastic presents two issues for review: (1) Is Claim 5 of the Hall patent valid or invalid; and (2) What weight, if any, should be accorded Findings of Fact under Rule 52(a), Fed.R.Civ.P., 28 U.S.C.A., where those Findings have been prepared by counsel for the successful

party and xerographically reproduced by the lower court, which in part contradict and supplement the summary opinion of the Court, and are based on documentary evidence. These issues are treated in reverse order by Plastic and Continental in their briefs. We shall proceed in the same manner.

I.

Plastic contends that the "clearly erroneous" standard of Rule 52(a), Fed.R.Civ.P., 28 U.S.C.A., does not apply to the Trial Court's findings because of the substantial documentary evidence in evidence and because the findings were not the product of the Trial Court.

In support of its contention that the "clearly erroneous" rule need not be followed where substantial documentary evidence is admitted, Plastic cites Deep Welding, Inc. v. Sciaky Bros., Inc., 417 F.2d 1227 (7th Cir. 1969), cert. denied 397 U.S. 1037 (1970), for the rule that:

> In such situations, the Court of Appeals has the right to interpret such evidence for itself and is equally competent as the trial court to do so.
>
> 417 F.2d at 1229.

Continental contends that this rule has no application to the case at bar because, in addition to the documentary evidence, there was extensive testimony of expert witnesses, including the inventor, Plastic's President, and several patent experts.

We have repeatedly held that the ultimate question of patent validity is one of law for this court to decide upon the record on appeal. Scaramucci v. Dresser Industries, Inc., 427 F.2d 1309 (10th Cir. 1970); Blish, Mize and Silliman Hardware Company v. Time Saver Tools, 236 F.2d 913 (10th Cir. 1956), cert. denied 352 U.S. 1004 (1957). We have also consistently held that findings and determinations of factual issues made by the trial court are reversible on appeal

only if clearly erroneous. Scaramucci v. Dresser Industries, Inc., *supra*; Eimco Corporation v. Peterson Filters and Engineering Company, 406 F.2d 431 (10th Cir. 1968), cert. denied 395 U.S. 963 (1969); McCullough Tool Company v. Well Surveys, Inc., 343 F.2d 381 (10th Cir. 1965), cert. denied 383 U.S. 933 (1966); Admiral Corporation v. Zenith Radio Corporation, 296 F.2d 708 (10th Cir. 1961). We have carefully reviewed the whole of this voluminous record. We hold that the Trial Court's findings are not clearly erroneous.

Plastic argues that the "clearly erroneous" rule should not be followed when, as here, the Trial Court adopted and accepted, verbatim, the proposed findings submitted to the Court by Continental. To be sure, we do not condone such practice. We recently criticized this practice in Edward B. Marks Music Corporation v. Colorado Magnetics, Inc., 497 F.2d 285 (10th Cir. 1974). Even so, such practice by the Trial Court is not to be considered clearly erroneous if supported by sufficient evidence. United States v. El Paso Natural Gas Co., 376 U.S. 651 (1964); United States v. Crescent Amusement Co., 323 U.S. 173 (1944); M. B. Skinner Company v. Continental Industries, Inc., 346 F.2d 170 (10th Cir. 1965), cert. denied 383 U.S. 934 (1966). The Trial Court's adoption of the proposed findings herein was therefore not clearly erroneous, especially when, as here, specific findings as noted, *supra*, were also rendered by the Trial Court from the bench at the close of the evidence. We observe that the proposed findings submitted by Plastic were most minimal for an involved patent case and that Plastic did not petition for a new trial or otherwise fault the Trial Court's findings prior to this appeal.

II.

Although seven claims are set forth within '681, each of which were declared invalid, Plastic opted, for purposes of simplifying the issues, to appeal only from the Trial Court's holding that Claim 5 was invalid.

Claim 5 provides:

> The safety container closure of claim 1[1] wherein said external closure cap is provided with a peripheral skirt, the lowermost part of said skirt carrying said key, the interior of said skirt carrying an annular bead which snaps over a complementary bead around an outer periphery of the container opening.

Plastic contends that Claim 5 is not anticipated and that it does not lack novelty. Plastic argues that the Trial Court did not understand the terms "novelty" and "anticipation" when it found that ". . . this patent lacks novelty, and was anticipated by the prior art . . ." The Trial Court specially found, as previously observed, that '681 was anticipated by the prior art because of the Velt and Mostoller patents, and "the others, too."

Novelty in a patent can be disproved by showing anticipation or aggregation. A. E. Staley Manufacturing Company v. Harvest Brand, Inc., 452 F.2d 735 (10th Cir. 1971), cert. denied 406 U.S. 974 (1972); McCullough Tool Company v. Well Surveys, Inc., *supra*. Although the doctrine of anticipation is a narrow one, Griswold v. Oil Capital Valve Co., 375 F.2d 532 (10th Cir. 1966), it is established in these cases where there is an aggregation of elements old in the art which, when considered together, disclose all of the claimed elements and when no new functional

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[1] Claim 1 provides:

A safety container closure assembly including,

(a) a container having an opening,

(b) an internal closure positioned within said opening, said closure having a key recess therein,

(c) an external cap positioned over said opening,

(d) said external cap carrying a key at a location not coincident with the location of said key recess,

(e) whereby said cap must be removed to insert the key into the key recess and thereby remove the internal closure.

relationship arises from their combination. Scaramucci v. Dresser Industries, Inc., *supra*; Baum v. Jones & Laughlin Supply Co., 233 F.2d 865 (10th Cir. 1956). The presumption of validity of a patent is strengthened when all the prior art has been considered. Scaramucci v. Dresser Industries, Inc., *supra*. However, where all the relevant prior art has not been fully considered by the patent office, the presumption of validity of the issued patent is weakened. Philips Electronic and Pharmaceutical Industries Corp. v. Thermal and Electronics Industries, Inc., 450 F.2d 1164 (3rd Cir. 1971).

We hold that the Trial Court did not err in finding that the entire patent was anticipated by the prior art. We have considered Plastic's contention raised in its reply brief that the "prior art fails to show an element that functions both as a key which enters a key recess and as a thumb abutment." We agree. However, such an element, i.e., an abutment functioning as a key and a thumb tab, was never claimed. Patents must be judged by claims made in their applications. Ohio Citizens Trust Company v. Lear Jet Corporation, 403 F.2d 956 (10th Cir. 1968), cert. denied 394 U.S. 960 (1969). Claims of the patent are the sole grant. McCullough Tool Company v. Well Surveys, Inc., supra. Products of mere mechanical skills are not patentable, Carson v. Bland, 398 F.2d 423 (10th Cir. 1968); Ohio Citizens Trust Company v. Lear Jet Corporation, *supra*.

Plastic contends that Claim 5 was not obvious. Under 35 U.S.C.A. § 103, a patent will not issue if the "differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious . . . to a person having ordinary skill in the art . . ." In interpreting Section 103, the United States Supreme Court held in Graham v. John Deere Co., 383 U.S. 1 (1966):

> Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and

> the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved.
> 383 U.S. at 17.

Plastic's own witnesses testified that the primary components of '681 were known to the art. Mr. Hall, the inventor, testified that:

> . . . I had the concept of why couldn't we keep what we had in the primary, basic file and cap and develop a safety closure around that . . .

and that:

> Q. Other than that one change in that thumb abutment, as you call it, or tab which was there, the only thing beyond that that you did to the existing plastic vial and snap cap lid was place a plug in it; is that right?
>
> A. (Mr. Hall) That's right.

Also, on cross-examination, Mr. Hoffman, Plastic's President, when asked if the vial in '681 was standard, testified:

> A. . . . You're speaking of the vial only?
>
> Q. That's right.
>
> A. Yes.
>
> Q. Does this further refer to the snap cap as being standard?
>
> A. Standard as of that time?
>
> Q. Yes.
>
> A. Yes, sir.
>
> Q. All right. And you have been making snap cap lids and vials since the beginning of your company in '63; is that true?
>
> A. Yes, sir.

The issue of obviousness must be resolved on the basis of factual inquiries, Hinde v. Hot Sulphur Springs, Colorado, 482 F.2d 829 (10th Cir. 1973); Carson v. Bland, *supra*, as of the time when solutions to problems are being sought, King-Seeley Thermos Co. v. Refrigerated Dispensers, Inc., 354 F.2d 533 (10th Cir. 1965). Applying the prior art of Velt and Mostoller, and the differences between the prior art and Claim 5, considered together with the ordinary skill in the pertinent art, we hold that the Trial Court did not err in finding '681 invalid as obvious.

III.

We have carefully considered the remaining allegations of error advanced by Plastic. They are without merit.

Each party shall bear its own costs in this appeal.

AFFIRMED.

Cr

Supreme Court, U.S.
FILED
DEC 11 1979
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

October Term, 1979

NO. 79-780

CONTINENTAL PLASTICS OF OKLAHOMA, INC.,

Petitioner

v.

PLASTIC CONTAINER CORPORATION,

Respondent.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Tenth Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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December 1979

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1979

NO. 79-780

CONTINENTAL PLASTICS OF OKLAHOMA, INC.,
Petitioner,

v.

PLASTIC CONTAINER CORPORATION,
Respondent

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Tenth Circuit

RESPONDENT'S BRIEF IN OPPOSITION

The respondent, Plastic Container Corporation, respectfully requests that this Court deny the petition for writ of certiorari, seeking review of the Tenth Circuit's opinion in this case.

QUESTIONS PRESENTED

(1) Should this Court grant certiorari on an appellate decision in a patent case reversing summary judgment and simply remanding the case to the lower court, which has not yet considered the merits of the issues on remand and could determine those issues in a manner such as to render moot the bases urged by petition in support of certiorari?

(2) Should this Court grant certiorari when the bases urged apply to only one claim of a patent, so that the issue of liability would not be determined by a holding for petitioner?

STATEMENT OF FACTS

The U. S. Court of Appeals for the Tenth Circuit rendered a decision in its No. 77-1753, _____ F.2d _____, 203 U.S.P.Q. 27, in a patent infringement suit. The decision reversed a holding of summary judgment for petitioner for the District Court for the Western District of Oklahoma (Chandler, J.) as to (1) infringement of respondent's U. S. Reissue Patent 28,861 (2) dismissal of respondent's complaint for patent infringement, and (3) award of attorney's fees. The Tenth Circuit remanded the case to the district court for a determination of the issues of (a) the validity of respondent's Reissue patent, and (b) petitioner's intervening rights, if any.

REASONS WHY THE WRIT SHOULD BE DENIED

First, the petition is premature. No final determination of the validity of respondent's Reissue patent has been made by any court. If, e.g., the district court, or on appeal, the Court of Appeals, should hold respondent's patent invalid, there would be no judgment adverse to petitioner from which it could petition, since it is axiomatic that an invalid patent cannot be infringed.

Second, the alleged "admissions", which respondent's counsel vehemently denies, and the effect of a functional statement at the end of a claim, both apply only to claim 5 of the Reissue patent. Any decision by this Court would have no bearing on claim 8, which is in a form quite different from claim 5.

CONCLUSION

For these reasons the petition for certiorari should be denied.

Respectfully submitted,

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